

Sir William Billers, Knt. John Lawton and Nicholas Paxton, Esqrs.
 Trustees for certain Creditors of the Governor and Company of } Appellants.
 Undertakers for raising the Thames Water in York Buildings }

His Grace Edward Duke of Norfolk, Sir Robert Sutton, and Sir
 Robert Clifton, Knights of the Bath; Sir Alexander Murray, and } Respondts.
 Sir Archibald Grant, Baronets; George Wade, Esq. Lieutenant
 General of his MAJESTY'S Forces, --- and others }

The CASE of the APPELLANTS.

THE Governor and Company of Undertakers for raising the Thames Water in York Buildings, having contracted large Debts for Purchasing the forfeited Estates in England and Scotland, and for other necessary Occasions; and foreseeing that great Part of these Debts would become due on or before the 25th of March 1732, and that they would not then be possessed of Money sufficient to answer these Demands, and carry on their Works, they found it necessary that the Sum of 100000 l. should be raised for these Purposes: And as there was Reason to apprehend that so large a Sum could not be raised upon personal Security, the Company did upon the 13th Day of October 1731, publish Proposals for raising the said Sum by Subscription, the Conditions of which were, *That the Subscribers should, within the Times thereby limited, advance the Sums by them Subscribed, either in Money or in the Company's outstanding Bonds or Receipts, commonly known by the Name of Slips, (by which Slips the Company were bound to grant Bonds for the several Sums in such Receipts or Slips mentioned respectively) and that the Company should issue new Bonds for the several Sums so subscribed and advanced, payable the 25th Day of March 1735, with Interest payable half yearly; and also make over their Estates in Northumberland, together with the Reversion of their Estates in Scotland, (subject to the Payment of the Annuities charged upon them) to Trustees for the behoof of such Subscribers.*

Subscription
Proposals pub-
lished 13th of
Oct. 1731.

Indenture of
Bargain and
Sale, executed
18th of Jan.
1731-2.

and recorded
20th of June
1732.

In Consequence of this Proposal, the Company executed a Deed of Indenture of Bargain and Sale, by which, reciting the Incumbrances they were subject to by Bonds and Slips standing out against them, and the Proposals published for raising Money to discharge these Incumbrances, and referring also to the Subscriptions made, or to be made, upon the Faith of these Proposals, annexed to the said Deed, *They conveyed all their Estates, viz. the Estate of Widrington in Northumberland, and the Estates of Winton, Killisyth, Panmure, Fingask, Pitcairn, Eastrestoun, Linlithgow, Marisball and Southesk in Scotland, to the Appellants in Trust for the behoof of the Subscribers for the said 100000 l. according to the Conditions of the said Proposal, with proper Covenants for further Assurance.* --- And this Deed of Indenture was duly recorded in Scotland, upon the 20th Day of June following.

Upon the Faith of the said Proposals and Deed of Trust, the Sum of 72785 l. Part of the said 100000 l. was Subscribed for, on, or soon after, the said 18th Day of January following, and the Company being fully satisfied, that this Proposal would be accepted of when the proper Measures were taken to subject their real Estates to this Incumbrance, they directed their Secretary to Subscribe for the remaining Sum of 27215 l. for the behoof of such Persons as should afterward agree to advance Money upon the proposed Security.

This Subscription made by the Secretary, was in pursuance of an Order of one General Court, and was afterwards approved of by another; and the said Sum of 27215 l. so Subscribed, as well as the other Sum of 72785 l. Subscribed by other Persons severally, being advanced to the Company, *They, according to the Power granted by their Charter, and confirmed by Act of Parliament, issued several Bonds bearing Date the 25th of March 1732, for 100 l. each, amounting in the whole to the said Sum of 100000 l. payable to Robert Reid, one of the Company's Servants, his Executors, Administrators or Assigns, by Indorsement thereon, upon the 25th Day of March 1735, with Interest after the Rate of 5 per Cent. per Annum, payable half yearly --- Each Bond reciting also, that for further Security of the Sum therein contained, all the forfeited Estates purchased by the Company in England and Scotland, subject to the Payment of Annuities, were vested in Trustees.*

Deed of Dis-
position exe-
cuted 25th of
Oct. 1732.

In pursuance of the Covenant for further Assurance in the said Deed of Trust, and upon Demand made by the said Trustees, the Company did on the 25th of October 1732, Execute a Deed of Disposition of these Estates, to the Appellants, *in Trust for those Creditors, who had Subscribed and advanced the said Sum of 100000 l. and in Security of the Sums due by the Company's Bonds issued to them severally* --- In Virtue of which Deed of Disposition the Appellants were in feoff and seized, in the Months of November and December 1732, and their Infeoffments duly Registered.

Lease of Mines
made to the
Company 31st
of July, 1730.

The Respondents, who are Lessees for a Term of Years of certain Lead Mines in the Estate of Sir Alexander Murray, in the Shire of Argyle, did on the 31st of July 1730, make a Lease of those Mines to the said Company for a Term of 25 Years, reserving a yearly Rent of 3600 l.; for the better and more effectual securing whereof, the said Company became engaged to in feoff the Respondents in an annual Rent of 3600 l. to be levied during the Term, out of the Estates in Scotland, belonging to the said Company, and gave a Power of Attorney for that Purpose.

Respondents
Decree of Ad-
judication a-
gainst the
Comp. Nov.
1732.

Altho' the Transaction between the Bond Creditors and the Company was carried on in the most publick Manner, and was in Agitation for near six Months, the Respondents did not think proper to take any Step for their own Security during the whole Time; but immediately after the Bonds were issued out, viz. the 11th of April 1732, They sued out Letters of Inhibition against the Company, and in November following, obtained a Decree of Adjudication in Scotland, adjudging the Company's Estates to belong to them, 'till they were satisfied of certain Arrears of Rent, alledged to have been then due upon the said Lease by the Company, and for their future Security: And they took Livery of Seisin in the said Estates, in the Years 1733, and 1734, severally.

Respondent's
Action.

But the Respondents being sensible that the Feoffment to the Appellants, was prior and preferable to the Feoffments obtained by themselves, they brought an Action of Reduction, Improbation, and Declarator, before the Court of Session in Scotland, against the Appellants, and against the Officers of State for his Majesty's Interest, and against several other Persons, Annuityants, and other Creditors to the Company, insisting that the Appellants and the other Defendants should produce all Bonds, Dispositions, Infeoffments and other Writings granted to them, or in their Power and Possession with relation to the said Estates, in order to have them set aside for the Reasons libelled, and in default of their being produced, that such Deeds might be reduced, set aside, and declared void, for not Production.

When

When this Action came on before the Lord Ordinary, it was pleaded for the Appellants, That the Titles and Writings under which they claimed, were already produced in another Action then depending in Court, and brought in the Names of *Fotherly Baker* and *Henry Strachey*, Creditors of the Company, for bringing the said Estates to Sale: And that this Action of Reduction, Improbation and Declarator, should therefore be conjoined with the other Action, and remitted to the Judge before whom that Action was to be try'd, which was accordingly granted; but afterwards recall'd by the Court upon an Application made for the Respondents.

The said Action of Reduction Improbation and Declarator, being again brought on, a further Time was allowed to fifteen of the Defendants to produce the Securities under which they claimed their Demands against the Company; and no further Proceedings have since been had against them, but the Cause was heard *ex parte* as against the Appellants, and other six of the Defendants, who had no Title under the Trust Infeoffment; and, by the Management of the Agents for the Respondents, a Decree of Certification was pronounced against the Appellants for not producing in this Suit their Deeds and Titles which were produced in another Suit, and were actually then remaining in Court: The Effect of which Decree would be, to void and set aside their said Deeds and Titles, which by Reason of their not being produced are *fiotioe juris*, and in Force of such Decree, declared to be false and forged.

But an Application having been forthwith made for the Appellants to the Court, complaining of such Proceedings, and the Appellants having also produced with their Petition, the said Deed of Indenture of the 18th Day of January 1731-2, the said Deed of Disposition, and the Infeoffments taken in Consequence thereof, the Court was pleased to restore the Appellants against the said Decree with respect to the Writings then produced, which were all that the Appellants were, or could be, possessed of, to support their Claim and Demand as Trustees upon the Company's Estates.

Tho' according to the Course of the Court in such Cases, the Respondents ought to have proceeded against the other Defendants so far as to conclude them by the like Decree, with respect to such Deeds and Titles as they were possessed of affecting these Estates, and which were not produced, because it could not appear, or be known, whether the said other Defendants were, or were not, possessed of all or any of the Bonds issued for the said 100000*l.* subscribed for, and secured by the said Trust Infeoffment, yet the Respondents insisted against the Appellants only.

Respondent's
Objections.

And the Cause being brought on to a Hearing before the Lord Ordinary, the Respondents objected to the Deed of Indenture, Disposition and Infeoffment, made in Favour of the Appellants, upon several Heads, the most material of which were;

I. That to prove a real and valuable Consideration, no Deeds were, and none could thereafter be, produced, the Decree of Certification having set aside all Deeds and Titles which were not then actually in the Process, wherefore the Disposition was to be considered as merely voluntary, and consequently fraudulent as against just Creditors.

II. That the Sum of 27215*l.* subscribed by the Secretary, was for the Company's Account, and could not be secured by Infeoffment to the Prejudice of lawful Creditors.

III. That the Company's allowing the Subscribers to pay their Subscriptions in old Bonds and Slips was a Fraud, because it could not answer the End proposed by the Indenture.

IV. That the taking in such old Bonds and Slips from Stockholders of the Company, or from those who purchased such Bonds and Slips from Stockholders, was a Fraud, and was no valuable Consideration for granting the Trust Deed. To these Exceptions it was answered for the Appellants.

Appellants
Answers.

I. That the Appellants had produced all Infeoffments, and other Deeds granted to them, affecting the Company's Estates, viz. the said Indenture, and the Disposition and Infeoffments following thereupon, and the Decree of Certification against them could affect only such Rights as were vested in them, but could not defeat the Right of Others, who were not Parties to this Suit, and whose Titles the Appellants were not called upon to produce, nor had it in their Power so to do.

II. That as the Advance of Money, or the actual bringing in of the old Bonds and Slips to the Company, and not the Subscription to the Proposals, was the valuable Consideration of the Trust Deed and Infeoffment; and as Money was paid into the Company under the Subscription of the Secretary, as well as of the other Subscribers, the Trust Deed and Infeoffment were equally onerous with respect to both.

III. That receiving Money to discharge old Bonds or Slips, or taking in the old Bonds and Slips, came just to the same Thing, and was one of the express Conditions of the Proposals.

IV. That if a Member of a Body Corporate advances Money to the Corporation, his being a Member of that Corporation, or a Stockholder, neither avoids nor weakens his Security, which is as legal, equitable, and favourable, as that of any other Creditor---And such Loans, common in Scotland, as well as in England, have hitherto remained unimpeached.

26th of July

1737.

First Interlocutor appealed from.

The Lord Ordinary having considered the foregoing Debate, by his Interlocutor of this Date, SUSTAINED the Reason of Reduction, founded upon the Decree of Certification, relevant to reduce the Indenture dated the 18th of January, 1732, and the Disposition of the 25th of October, 1732, and Infeoffment following thereon under which the Defenders (now Appellants) Claim; except as to the Interest of *Rowland Ainsworth*, *Samuel Grove*, and *Sir John Meres*, (three other Defendants) who have taken a Day to produce their Grounds of Debt, and appear not as yet to be concluded by it, and decerned accordingly: --And *separatim* SUSTAINED the Reason of Reduction, as to the Sum of 27215*l.* subscribed by the Company's Secretary, and FOUND, the Company could not set up that Sum as a Debt, nor secure it by Infeoffment to the Prejudice of the Pursuers Anterior and lawful Debts, and so far also REDUCES and DECERNS: --- And FOUND that the Company's entering into the said Indenture with *Sir William Billers*, &c. to raise a Sum, not exceeding 100000*l.* for Payment of the Debts the Company owed by Bond, and for carrying on their Works in Scotland, and yet by the Conditions thereto annexed, allowing the Subscribers to pay their Subscriptions by old Bonds or Slips, which could not answer the End proposed in the said Indenture, was a Fraud; and that such Payment, by old Bonds or Slips, could not create an onerous Cause, to Support the Indenture and Disposition aforesaid in Behalf of any Stockholder of the Company, to the Hurt and Prejudice of the Pursuers, who were lawful anterior Creditors: And FOUND the said Reason of Reduction sufficiently proven; And therefore REDUCED the said Indenture and Disposition, and the Infeoffment following thereupon, in so far as the same are claimed under by any Stockholder at the Time, or Purchaser of such old Bonds and Slips from such Stockholder, and DECERNS; reserving to such Subscribers, as paid ready Money, to be farther heard on their Interests, as Accords: And finds no Necessity to advise the other Reasons of Reduction and Answers thereto.

The Appellants gave in a Representation complaining of this Interlocutor; to which the Respondents put in Answers; and the Cause being again heard by the said Lord Ordinary, and the Respondents insisting, That the Trust Infeoffment was void in Regard it did not particularly mention the Names and Descriptions of the Creditors, for whose Behoof the Infeoffment was granted, who could not therefore be made Parties, nor concluded by any Decree in this Action.

7th of Feb.

1737-8.

2d Interlocutor appealed from.

His Lordship did upon the 7th Day of February, 1737-8, pronounce the following Interlocutor, viz. Having considered the Representation and Answers, with the foregoing Debate, adhered to his former Interlocutor, as to the three Points therein determined; but declared, He would hear Parties Procurators further, as to the Proof that old Bonds and Slips were retired in place of paying Money upon the Plan of the Subscription mentioned in the Debate; but repels the Reason of Reduction, That the Disposition in Question, and Infeoffment following thereon, is null, as not mentioning the Names of the Persons and Sums due severally to them, in Respect the Names of Trustees are therein contained, and the special Sum of 100000*l.* but FINDS the Pursuers having called the said Trustees, they were not bound to Notice, nor call these for whose Behoof the Trust was created, and who, holding their Bonds by a blank Indorsement from a Servant of the Company, could not be so known, as to be made Parties to this Suit.

The

The Appellants preferred a Petition to the Court, complaining of the said Interlocutor of July 26. 1737; except as to that Part thereof which found it proven, *That old Bonds and Slips due to the Stockholders of the Company were brought in Payment of the Subscriptions*, which the Appellants had no Occasion to complain of, by Reason, That by the said other Interlocutor of the 7th of February, 1737-8, it was reserved to them to be heard by Council upon that Point; and also complaining of the said Interlocutor of the 7th of February 1737-8, in so far as the former Interlocutor, as to the three Points thereby determined, is thereby adhered to.----And the Respondents preferred a Petition to the Court complaining of that Part of the said Interlocutor of the 7th of February, which repels the Reason of Reduction, *That the Disposition in Question and Infeoffment following thereon is Null, as not mentioning the Names of the Persons and Sums due severally to them, in Respect the Names of the Trustees are therein contained, and the special Sum of 100000 l.*

To which Petitions, Answers were severally put in for both Parties.

17th of Nov. 1738. 3d Interlocutor appealed from. The Lords, on Consideration of the said Petition preferred in the Name of the Appellants, and of the Answers put in for the Respondents, by their Interlocutor the 17th Day of November, 1738, ADHERED to that Part of the Lord Ordinary's Interlocutor, *sustaining the Reason of Reduction founded on the Decree of Certification, relevant to reduce the Indenture, dated the 18th of January, 1732, and the Disposition dated the 25th Day of October, 1732, under which the Defenders (now Appellants) Claim, except as to the Interest of those who have taken a Day to produce their Grounds of Debt.*----And remitted both Petitions and Answers to the Lord Ordinary, to hear Parties further on the other Points therein not already determined by the Lords; as also to hear them on any other Points in the Cause, on which no Judgment had been yet given by the Ordinary, and to determine or report.

The Appellants preferred another Petition to the Court, complaining of so much of the said Interlocutor as adhered to that Part of the Lord Ordinary's Interlocutor, *which sustained the Reason of Reduction founded on the Decree of Certification*; and thereby prayed their Lordships to find, *That the Creditors, who are not made Parties to this Suit, and have not produced their Bonds or other Titles before the said Decree of Certification was pronounced, are intitled at any Time before a Decree of Reduction can be granted, to make themselves Parties to this Suit, and to produce their Bonds and other Titles in support of their Preference under the Infeoffments of the Appellants as their Trustees, which was not affected by the said Decree of Certification*----or at least to allow the Appellants to be heard by Council on this Point; with the other Points remitted to be heard and determined by the said Lord Ordinary.

12th of Jan. 1738-9. 4th Interlocutor appealed from. The Consideration of which Petition was also remitted to the Lord Ordinary.

His Lordship having heard both Parties by their Council upon the Merits of the Cause, made his Report to the whole Lords, and their Lordships by their Interlocutor of this Date, SUSTAINED the Objection made to the Disposition dated the 25th Day of October, 1732, and Infeoffment following thereon, under which the Defenders (now Appellants) claim; viz, *That it does not appear by the said Disposition and Infeoffments, that there was thereby any real Right created on the Estates of the York Building Company, or any of them in favour of any Persons certain or for any certain or definite Sum*; and therefore find the said Infeoffments void and null in Competition with the Pursuers;--- and ADHERE to their Interlocutor dated the 17th of November last, *Sustaining the Reason of Reduction founded on the Decree of Certification relevant to reduce the Indenture dated the 18th Day of January, 1732, and the Disposition dated the 25th Day of October, 1732, under which the Defenders Claim, except as to the Interest of those who have taken a Day to produce their Grounds of Debt*; --- And they also SUSTAINED this Reason of Reduction, viz. *That there is no Enumeration of the Lands, Lordships and Baronies pertaining to the said Company in the Precept of Seisin in the said Disposition, nor in the Disposition itself which was the only Warrant produced and published for taking the said Infeoffments*; --- and they also SUSTAINED this Reason of Reduction, viz. *That while the Pursuers were in the Course of obtaining an Adjudication against the Company, which was obstructed by the Company's taking a Term to produce a Progress, which they did not do, but suffered the Term to be circumduced, the said Company did, while that Term was current, grant the Disposition in question in prejudice of the Pursuers Diligence by Adjudication founded on an anterior and lawful Debt, contracted by the Company Anno 1730; by which the Company was bound to infeoff the Pursuers in an annual Rent of 3,600 l. relevant to reduce the Disposition aforesaid*; ---- And also FOUND that the Company could not set up the Sum of 27,215 l. Sterling, subscribed in consequence of their Order by their Secretary Henry Strachey, nor secure the same by Infeoffment to the Prejudice of the Pursuers, their anterior and lawful Creditors, and therefore in so far SUSTAIN the Reason of Reduction of the Indenture, Disposition, and Infeoffments aforesaid following thereon; and SUSTAIN this Reason of Reduction, viz. *That the allowing Sums subscribed to be paid by old Bonds or Slips, by any Stockholder of the Company, to intitle them to New Bonds to be issued the 25th of March, 1732, was a Fraud, and is relevant to reduce the New Bonds, Indenture, Disposition, and Infeoffments aforesaid, so far as the same were given in Exchange for Old Bonds, at the Date of the supposed Subscription, held by Persons who then were Stockholders of the Company*; And FOUND the Pursuers preferable to the Maills and Duties of the Company's Estates of Marischal, Southesk, and Linlithgow, at least to the Extent of 3600 l. Sterling, yearly, being the annual Rent in which the Company was obliged to infeoff the Pursuers in virtue of the Contract 1730 aforesaid, until the Company's Rights to these Estates shall be completed by Infeoffment therein, reserving to themselves then to consider whether the Pursuer's Preference shall continue after such Infeoffment shall be taken, or not; and REDUCE, PREFER, DECERN, and DECLARE accordingly.

The Appellants have appealed from the said Interlocutor of the 26th of July, 1737, and Interlocutor of the 7th of February, 1737-8, adhering thereto, as to the three Points therein determined, and also from the said other Interlocutors of the 17th of November, 1738, and the 12th of January, 1738-9, humbly praying that the same may be reversed or varied; and that such part of the Interlocutor of the 7th of February, 1737-8, as repels the Reason of Reduction, viz. *That the Disposition in question, and Infeoffments following thereon is null, as not mentioning the Names of the Persons and Sums due severally to them, may be affirmed, for the following among other*

R E A S O N S .

- I. That the Infeoffment is granted to Trustees named, who are Persons certain in whom the legal Interest is vested, and for a Sum certain, viz. 100,000 l. and the particular Creditors have no immediate real Lien upon the Estates, but only an equitable Remedy against their Trustees for Satisfaction.
- II. Because from the Nature of the Transaction, between the Company, the Trustees, and the Bond-Creditors, it is evident the Bond-Creditors acted only upon the Faith of the real Security, to be vested in the Trustees for their use; and as the Bonds of a Company have a general Currency, and are made assignable by Law, it is as impossible for the Company or the Trustees to set forth in whose Hands such Bonds are, as it is for a Banker to shew who are possessor of his out-standing Notes; --- and to exclude the Proprietors of the Bonds, by a Decree of Certification to which they were not made Parties, from making out their Claims, because the Trustees could not comply with what was not in their Power, seems inconsistent with the Rules of Law, and against Equity.
- III. For that the Indenture upon which the Creditors relied, contained a Covenant to grant a real Security, and did particularly set forth and enumerate the several Estates in Scotland, wherein the Trustees were to be infeoff; and the Disposition granted pursuant to the said Covenant, reciting and referring to this Indenture, and containing a Power of Attorney to infeoff the Trustees in all the Company's Estates in Scotland, was a sufficient Warrant for Livery of Seisin in the several Estates particularly enumerated in that Indenture.

IV. The

V.

VI.

CH. ARESKINE,
A. HUME CAMPBELL.

His Grace *Edward Duke of*
Norfolk, Sir *Robert Sutton*, and
Sir *Robert Clifton*, Knights of
the *Bath*; Sir *Alexand. Murray*
and Sir *Archibald Grant*, Barts.
George Wade, Esq; Lieutenant-
General of His Majesty's
Forces; — and others,

Respondents.

The Cafe of the APPELLANTS.

*To be heard at the Bar of the House of Lords, on
Wednesday the Eighth Day of April 1739.*

amount of the Liberated Slaves to be paid for by
 the Govt of Virginia but since the passage of Resolution
 passed in the House and Gov. L. J. 5 the whole part
 of 61 was also amount of the said Lib. Enter -
 which the Govt of Virginia hath refused to provide
 for and the said amounting by Virginia and
 to the other passage of Resolution were not necessary
 to be raised or determined in this manner therefore
 ordered that the amount of the said Lib. Enter be
 as related to the last mentioned passage of Resolution
 be raised without requiring to pay of this to any
 when the same shall become necessary to be determined